

Message Text

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PAGE 01 STATE 048998
ORIGIN COME-00

INFO OCT-01 CIAE-00 DODE-00 EB-08 NSAE-00 USIA-06
TRSE-00 NEA-10 DOE-11 ISO-00 SOE-02 AID-05 /043 R

DRAFTED BY COM/OEA/CD: RJMCGEEHAN/HB
APPROVED BY EB/ITP/EWT: AREICHENBACH
COMMERCE/OEA - CBCLEMENTS
NEA/IRN:MJOHNSON

-----030774 250113Z /65

P 242333Z FEB 78
FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN PRIORITY

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EXCON

E.O. 11652: N/A

TAGS: ESTC, IR

SUBJECT: EXPORT LICENSE APPLICATIONS: ELECTRONICS
COMPONENTS INDUSTRIES - MR. KAYHAN MOLAVI

REF: A) TEHRAN'S 10792, DATED 12/7/77; B) STATE'S 286803,
DATED 12/1/77; OEA/CD INVESTIGATIVE CASE 9(77)-4

1. EXPORT LICENSES ISSUED FOR EQUIPMENT AND PARTS MENTIONED
IN REFTEL B.

2. BASIS FOR APPROVAL OF ABOVEMENTIONED APPLICATIONS WAS
DECEMBER 12, 1977 LETTER TO RAUER H. MEYER, DIRECTOR,
OFFICE OF EXPORT ADMINISTRATION, FROM MINISTER COUNSELOR
DJAMSHID TAVALLALI, IMPERIAL EMBASSY OF IRAN. LETTER
READS AS FOLLOWS (QUOTE) WITH REFERENCE TO THE APPLICATION
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SUBMITTED BY IRAN ELECTRONIC COMPONENTS INDUSTRIES FOR
AN EXPORT LICENSE, I AM PLEASED TO INFORM YOU THAT THIS
COMPANY IS A BONA FIDE GOVERNMENT OPERATION ESTABLISHED
AS A SUBSIDIARY OF IRAN ELECTRONIC INDUSTRIES TO PRODUCE
AND TEST ELECTRONIC COMPONENTS IN IRAN. AS THE MANAGING
DIRECTOR OF IRAN ELECTRONIC COMPONENTS INDUSTRIES, DR.
KAYHAN MOLAVI AZAD HAS BEEN VISITING THE UNITED STATES

IN ORDER TO PROCURE EQUIPMENT TO BE USED SOLELY FOR THE

REQUIREMENTS OF THE GOVERNMENT OF IRAN. YOUR ASSISTANCE, THEREFORE, IN GRANTING AN EXPORT LICENSE TO DR. MOLAVI AZAD, WOULD BE GREATLY APPRECIATED. (UNQUOTE)

3. NB: APPARENTLY, TAVALLALI'S ACQUAINTANCE WITH MOLAVI MATTER SECOND OR THIRD HAND. MOLAVI VISITED OEA COMPLIANCE DIVISION (OEA/CD) ON FRIDAY, DECEMBER 9, 1977, BEFORE GOING TO IRANIAN EMBASSY. ON MONDAY, DECEMBER 12, 1977, SHAHDAD ZANDER, IRANIAN EMBASSY ECONOMIC OFFICER, TELEPHONED OEA/CD ON MOLAVI'S BEHALF. MATTER EXPLAINED TO ZANDER WHO SAID HE'D HAVE EMBASSY LETTER VOUCHING FOR MOLAVI SENT TO OEA. ZANDER INSTRUCTED BY OEA/CD TO ADDRESS SUCH LETTER TO OEA DIRECTOR MEYER. REFERENCE IN TAVALLALI'S LETTER TO EXPORT LICENSE (SIC) INSTEAD OF LICENSES APPARENTLY MISTAKEN NOTION THAT MOLAVI SOUGHT CONTINUING PRIVILEGE, I.E., AN OPERATOR'S LICENSE, RATHER THAN PERMISSION FOR SPECIFIC TRANSACTION (S) THAT OEA EXPORT LICENSE(S) COVER(S).

4. OEA/CD CONCERN STEMS FROM PRESS REPORTS HERE OF EXECUTION IRANIAN GENERAL FOR PROVIDING SOVIETS WITH TECH DATA AND/OR MILITARY-RELATED EQUIPMENT. ALSO, LIMITED OFFICIAL USE

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REVIEW OF LICENSES ISSUED FOR MOLAVI EXPORTS REVEAL UNUSUAL PURCHASING PROFILE. PURCHASES DO NOT REFLECT COHERENT PATTERN OF EQUIPMENT ACQUISITION FOR SEMI-CONDUCTOR PLANT.

5. SURFACE APPEARANCE IS MOLAVI MAKING RANDOM PURCHASES

FROM SHOPPING LIST. CASE IN POINT IS HIS PENDING EXPORT LICENSE APPLICATION FOR SIX (THREE PAIRS) TERADYNE INTEGRATED CIRCUIT TEST SYSTEMS, TOTAL VALUE: 1,403,109 DOLLARS. TRANSACTION SUSPICIOUS BECAUSE IT REPRESENTS TWICE NORMAL REQUIREMENT. (FACTORY WITH THIS EQUIPMENT WOULD HAVE THREE SYSTEMS IN OPERATION WHILE THREE SYSTEMS SAT IDLE.) PURCHASE ALSO CONFORMS TO LONG ESTABLISHED SOVIET ILLEGAL PROCUREMENT PRACTICE OF BUYING EQUIPMENT IN PAIRS.

6. FSO LANGE SCHERMERHORN DEBRIEFED BY OEA/CD RE THIS MATTER. AGREED THAT MOLAVI MAY HAVE EXCEEDED HIS MANDATE BY MAKING ADDITIONAL UNAUTHORIZED PURCHASES.

ACTION REQUESTED:

7. REQUEST EMBOFF OR AMCONSUL SHIRAZ VISIT FACTORY SITE
ASAP. (ACCEPT MOLAVI INVITATION EXTENDED IN TEHRAN'S
8168, DATED 9/14/77, SEE PART TWO, PARAGRAPH NINE).

8. TEHRAN AND/OR SHIRAZ REQUESTED TO MAKE FURTHER ATTEMPT
TO OBTAIN INFORMATION SPECIFIED REFTEL B, PARAGRAPH
FIFTEEN.

9. FYI. OEA/CD CONTACT WITH UNIVERSITY OF MISSOURI
DISCLOSED MOLAVI NEITHER "DOCTOR" NOR "PROFESSOR". WAS
RESEARCH/TEACHING ASSISTANT WHO COMPLETED COURSE WORK
FOR DOCTORATE BUT HAS NOT DEFENDED THESIS YET. ALSO,
UNIVERSITY TO SET UP TRAINING PROGRAM FOR ENGINEERS WHO
WOULD BE EMPLOYED IN IRANIAN PROJECT. TO DATE, NO
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ENGINEERS KNOWN TO HAVE BEEN HIRED BY MOLAVI (SEE TEHRAN'S
8168 MENTIONED ABOVE). END FYI VANCE

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Message Attributes

Automatic Decaptioning: X
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Concepts: ELECTRONIC EQUIPMENT, EXPORT LICENSES, STRATEGIC TRADE CONTROLS
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Copy: SINGLE
Draft Date: 24 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Litigation Codes:
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